

SMALL BUSINESS IMPACT STATEMENT

In order to accurately predict the impact the adoption, amendment, or repeal of a regulation will have on small businesses, the promulgating authority must conduct a thorough analysis that not only considers the potential effects of the action but also quantifies the costs, if any, associated with each. The questions below are designed to aid promulgating authorities in conducting their analysis.

Agency submitting regulations: Executive Office of Health & Human Services (EOHHS)

Subject matter of regulations:

1. Rhode Island Medicaid Overview (section 0300) (ERLID # 7680)
2. Rhode Island Medicaid Program Income Generally (section 0362) (ERLID # 7681)
3. Rhode Island Medicaid Program SSI-Related Coverage Groups (section 0370) (ERLID #7682)
4. Rhode Island Medicaid Program Special Treatment Coverage Groups (section 0372) (ERLID #7683)
5. Rhode Island Medicaid Program Resources Generally (section 0380) (ERLID #7684)
6. Rhode Island Medicaid Program Evaluation of Resources (section 0382) (ERLID #7685)
7. Rhode Island Medicaid Program Post-Eligibility Treatment of Income (section 0392) (ERLID #7686)

ERLID Numbers: 7680; 7681; 7682; 7683; 7684; 7685; 7686

Statutory authority: Rhode Island General Laws Chapters 40-8 (Medical Assistance) and 40-6 (Public Assistance Act); Title XIX of the Social Security Act; Patient Protection and Affordable Care Act (ACA) of 2010 (U.S. Public Law 111-148); Health Care and Education Reconciliation Act of 2010 (U.S. Public Law 111-15)

Other agencies affected: Department of Human Services

Other regulations that may duplicate or conflict with the regulation: None known

Describe the scope and objectives of the regulation:

The Executive Office of Health and Human Services promulgated “emergency” regulations on January 1, 2014 to ensure that Rhode Island Medicaid rules are in conformity with federal statutes and regulations. The rules are currently being posted for a 30-day public comment period in order to promulgate final rules.

Specifically, seven Medicaid rules are being amended in order to accomplish the following:

- 0300: The amount of allowable home equity interest has been increased from \$536,000 to \$543,000 for individuals seeking eligibility for Medicaid nursing facility services or other long-term care. In addition, the amount of the equity value of the life estate of an institutionalized individual that can be considered an “excluded resource” has increased from \$536,000 to \$543,000. This rule is also being amended in accordance with Section 3309 of the federal Affordable Care Act to extend the elimination of Medicare Part D cost-sharing to full-benefit “dual eligible” individuals (persons eligible for both Medicare and Medicaid) who would be institutionalized if they were not receiving services under a home and community-based waiver authorized by the State of Rhode Island.
- 0362: These proposed rules reflect cost-of-living increases to the federal Social Security Administration benefit rates, the “medically needy” income limits, and the “categorically needy” net monthly income limits for aged, blind, or disabled individuals and couples. In addition, the rules

have been amended to clarify that the provisions of this section do not apply to the individuals and families in the Medicaid affordable coverage groups identified in the Medicaid Code of Administrative Rules (Section 1301) that took effect on January 1, 2014. The provisions of this section (0362) are applicable only to individuals and families who were enrolled and receiving Medicaid coverage prior to January 1, 2014.

- 0370: These proposed Medicaid rules are being amended to reflect a 1.5% cost-of-living increase (COLA) to recipients of Retirement and Survivors Disability Insurance (RSDI).
- 0372: These Medicaid rules are amended to reflect an increase in the resource limits for Medicaid recipients as follows: Qualified Medicare Beneficiaries (QMB), Specified Low-Income Medicare Beneficiaries (SLMB), and Qualifying Individuals (QI) Programs. The resource limits for the QMB, SLMB, and QI Programs have been increased from \$7,080 to \$7,160 for a single person and from \$10,620 to \$10,750 for a married person living with a spouse and no other dependents. These rules are being amended in order to prevent wrongful denial or discontinuance of benefits for Medicaid applicants and beneficiaries.
- 0380: These Medicaid rules are amended to reflect an increase to the Minimum Protected Resource Amount from \$23,184 to \$23,448 and an increase in the Maximum Protected Resource Amount from \$115,920 to \$117,240.
- 0382: These Medicaid rules are being amended to reflect the following: the amount of allowable home equity interest has been increased for individuals seeking eligibility for Medicaid nursing facility services or other long-term care services from \$536,000 to \$543,000. In addition, the amount of the equity value of the life estate of an institutionalized individual that can be considered an excluded resource has increased from \$536,000 to \$543,000.
- 0392: These Medicaid rules are being amended to reflect an increase in the cap on the Monthly Maintenance Needs Allowance from \$2,898.00 to \$2,931.00 per month.

What was the rationale for establishing this regulation? These regulations are promulgated for the purpose of complying with all of the aforementioned federal and state statutes/regulations and for determining a person's eligibility for Medicaid based upon an evaluation of income and other resources.

Does the rationale still exist? YES

Is the rationale still relevant? YES

Business industry (s) affected by the regulation: N/A. This series of amended Medicaid regulations is targeted to individuals who are applying for or receiving Medicaid who will be subject to amended eligibility criteria contained in the regulations.

Types of businesses included in the industry (s): N/A. This series of regulations affects individual Medicaid beneficiaries/applicants, as noted above.

Total number of small businesses included in the regulated industry (s) (Please see the attached guidance documents for assistance determining the total number of small businesses) N/A

Number of small businesses potentially subject to the proposed regulation: N/A

How often do small businesses contact your agency for assistance with clarification of the regulation and/or receive assistance with compliance issues?

Assistance with compliance issues is provided by state agency staff (Department of Human Services field offices and EOHHS administrators).

What is the cost to your agency of establishing and enforcing this regulation?

Costs are incurred to the state related to the implementation of these regulations and, generally, to the administration of the Medicaid Program. These costs may include, but not be limited to, personnel and contractor expenses for eligibility determination, benefit administration, and purchase of new technology. However, these regulations are promulgated pursuant to both state and federal statutes (noted above). Costs incurred are the result of the implementation of a Program required by state and federal statutes.

What would the consequences be if the regulations did not exist?

The statutes noted above would not be given full force and effect. Additionally, these rules are promulgated in order to prevent wrongful denial or discontinuance of benefits for Medicaid applicants and beneficiaries.

Effective date used in cost estimate: N/A

For each question below, please answer “yes” or “no” and offer a brief explanation.

Please describe any facts, data, views, arguments, or other input from small businesses, organizations or any other sources that were used to quantify the impacts outlined below.

1.	Yes	No XX	Do small businesses have to create, file, or issue additional reports?
2.	Yes	No XX	Do small businesses have to implement additional recordkeeping procedures?
3.	Yes	No XX	Do small businesses have to provide additional administrative oversight?
4.	Yes	No XX	Do small businesses have to hire additional employees in order to comply with the proposed regulation?
5.	Yes	No XX	Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)?

6.	Yes	No XX	Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation?
7.	Yes	No N/A	Are performance standards more appropriate than design standards?
8.	Yes	No XX	Does the regulation require small businesses to cooperate with audits, inspections, or other regulatory enforcement activities?
9.	Yes	No XX	Does the regulation have the effect of creating additional taxes and/or fees for small businesses?
10.	Yes	No XX	Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements?
11.	Yes	No XX	Is the regulation likely to <i>deter</i> the formation of small businesses in RI?
12.	Yes	No N/A	Is the regulation likely to <i>encourage</i> the formation of small businesses in RI?
13.	Yes	No XX	Can the regulations provide for less stringent compliance or reporting requirements for small businesses?
14.	Yes	No XX	Can the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses?
15.	Yes	No N/A	Can the compliance or reporting requirements be consolidated or simplified for small businesses? N/A
16.	Yes	No XX	Can performance standards for small businesses replace design or operational standards?
17.	Yes	No XX	Are there alternative regulatory methods that would minimize the adverse impact on small businesses?

18.	Yes XX	No	Have any small businesses or small business organizations been contacted during the preparation of this document? If so, please describe. These regulations are circulated to a list of “interested persons” prior to promulgation that may include members of the small business community.
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